

Message Text

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71
ORIGIN OPIC-12

INFO OCT-01 AF-10 ISO-00 EB-11 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 TRSE-00 XMB-07 SPC-03 CIEP-02

LAB-06 SIL-01 OMB-01 INRE-00 L-03 SSO-00 /089 R

66630

DRAFTED BY: OPIC/GC: P.R. GILBERT
APPROVED BY: EB/IFD/OIA: M.C. KENNEDY
OPIC/GC: C. HUNT AF/E: H. MELONE
EB/IFD/OIA: W.H. COURTNEY
SPECIAL CHARGE: OPIC

----- 065352

O 112217Z SEP 73
FM SECSTATE WASHDC
TO AMEMBASSY MOGADISCIO IMMEDIATE

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FOR HOEVELER

E.O. 11652: N/A
TAGS: E/GEN
SUBJ: FERN/PRODMA

REF: MOGADISCIO 1318

1. OPIC SPOKE WITH FEARN VP SENSENEY. FEARN AGREES TO ACCEPT
GSDR OFFER OF U.S. \$327,000 FOR PURCHASE FEARN'S INTEREST IN
PRODMA FISHING OPERATIONS. FEARN SUGGESTS FOLLOWING TERMS OF
PAYMENT:

A. GSDR SHOULD MAKE INITIAL CASH PAYMENT OF 50 PER CENT OF PUR-
CHASE PRICE UPON SIGNING PURCHASE AGREEMENT. FEARN WILLING TO
ACCEPT CASH DOWN-PAYMENT EQUAL TO ONE-THIRD OF PURCHASE PRICE.

B. FEARN REQUESTS THAT UNPAID PORTION OF PURCHASE PRICE BE
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PAID IN SIX EQUAL MONTHLY INSTALLMENTS. FEARN WILLING TO ACCEPT

TWO EQUAL INSTALLMENTS AFTER THIRD MONTH AND AFTER SIXTH MONTH.

C. RATE OF INTEREST FOR UNPAID PORTION OF PURCHASE PRICE TO BE
9 3/4 PER CENT PER ANNUM WHICH IS CURRENT U.S. PRIME RATE, I.E.,
RATE AT WHICH FEARN BORROWS MONEY TODAY IN U.S. LOWERST RATE OF
INTEREST FEARN WILLING TO ACCEPT 6 PER CENT PER ANNUM WHICH IS
RATE FOR LOANS MADE BY FEARN TO PRODMA.

D. FEARN AGREES TO PAY TERMINATION AND ACCRUED VACTATION PAY FOR
FOUR GUARDS THROUGH SEPTEMBER 30 PROVIDED TOTAL AMOUNT DOES NOT
EXCEED U.S. \$2,000, AND DETAILED FIGURES SUPPORTING CLAIMS ARE
FIRST FURNISHED TO FEARN AND UPON PAYMENT BY FEARN, APPROPRIATE
RELEASES SECURED FROM EACH OF GUARDS AND RELEVANT MINISTRY OF
GSDR. RELEASE FROM LIBAN ALSO REQUESTED.

E. ESSENTIAL THAT PURCHASER BE AGENCY OF GSDR AND THAT GSDR BE
OBLIGOR OF NOTES FOR REMAINDER OF PRUCHASE PRICE.

F. PAYMENTS TO BE MADE DIRECTLY TO FEARN BY CABLING FUNDS TO
CONTINENTAL ILLINOIS NATIONAL BANK OF CHICAGO, ILLINOIS, FOR AC-
COUNT OF FEARN - ACCOUNT NO. 73-11842.

2. FEARN RELYING ON MOHAMOUD SHEIKH AHMED TO PREPARE APPROPRIATE
DOCUMENTATION FOR CONSUMMATION OF SALE ASAP. FEARN WISHES TO BE
ADVISED BY LOCAL ATTORNEY OF DOCUMENTS WHICH WILL BE NEEDED
FROM U.S. TO CONSUMMATE SALE. STOCK CERTIFICATES EVIDENCING FEARN
OWNERSHIP OF PRODMA AND NOTES EVIDENCING PRODMA DEBT TO FEARN ARE
LOCATED IN U.S.

3. BOTH FEARN AND OPIC HOPE THAT HOEVELER ABLE NEGOTIATE SAT-
ISAFCTORY SETTLEMENT FOR BUNKERING OPERATION EVEN THOUGH TERMS
MAY DIFFER FROM THOSE FOR FISHING OPERATIONS.

4. OPIC BELIEVES BEST PROCEDURE TO FOLLOW IS FOR HOEVELR TO RE-
MAIN IN MOGADISCIO UNTIL BASIC TERMS OF SETTLEMENTS WITH GSDR FOR
FISHING OPERATIONS AND BUNKERING OPERATIONS AGREED UPON. HOEVELER
TOGETHER WITH MOHAMOUD SHEIKH AHMED SHOULD EXECUTE LETTER AGREE-
MENT WITH GSDR SPELLING OUT BASIC TERMS. IF HOEVELER BELIEVES
PRESENCE IN MOGADISCIO NECESSARY FOR CONSUMMATION OF DEAL ONCE
LETTER AGREEMENT SIGNED, HE SHOULD ADVISE OPIC.
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5. ACCORDINGLY, OPIC EXTENDING HOEVLER TDY. TRAVEL AUTHORIZA-
TION NUMBER 7204018 AMENDED TO EXTEND THROUGH SEPTEMBER 17, 1973.
COPY OF AMENDED ORDER BEING POUCHED.

DECONTROL 9/11/74. RUSH

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